



# THE Agricultural Situation

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# Farmers Plan Sharp Shifts In Acres Planted to Several Major Crops

**F**ARMERS plan to make sharp shifts this year from last year's planted acreages of several major crops. The total acreage of spring-planted crops may be slightly larger than last season.

Feed grains may be planted on 3 million acres more than last year. But plans are for the acreage of food grains to be sharply less than in 1954.

These prospective acreages are based on the plans of farmers all over the United States. This is a report on what farmers said they planned to do on about March 1.

Actual plantings may be modified by farmers' changes in plans, by shifts caused by adverse weather conditions, and by changes in income prospects.

Based on the March 1 plans, here are the highlights of what our crop acreages might be this year, according to the Crop Reporting Board of the Agricultural Marketing Service, USDA.

## Wheat

Acreage of all spring wheat planted in 1955 will be the lowest on record, if growers carry out their planting intentions as of March 1. Looks like 14 million acres, one-eighth less than last year, and compares with the 10-year average of 20.5 million acres. A total of 57.4 million acres of all wheat (winter and spring) is indicated. That would be 4.6 million acres less than in 1954.

## Oats

Looks like last year's record acreage will be topped. Plans are for 47.7 million acres in oats, including seedings made last fall and winter and those to be made this spring. This would be 1 percent more than last year and 8 percent above average.

## Corn

Farmers intend to plant 82 million acres of corn. This would be only 0.2 percent larger than the 81,893,000 acres planted in 1954, and 5 percent below

average. In the past 5 years, actual plantings have varied from the intended by as much as 3 percent under to 1 percent over, with the average less than 1 percent under the prospective acreage.

## Barley

Growers intend to seed the largest acreage of barley since 1943. Actual seedings last fall, together with intended spring seedings, point to a total of 15.8 million acres for 1955. This would be about 9 percent more than last year and 35 percent above average.

## Rice

Plans are for 1.8 million acres of rice. This would be 27 percent less than last year, but still about 1 percent above average. In each rice-growing State, ricegrowers expect to seed virtually up to the allotment.

## Sorghums

A record acreage of 21.3 million acres of all sorghums is planned. This would be 7 percent more than last year and about 50 percent more than average. Further reductions in the acreage allotments for wheat and cotton account for much of the continued expansion of sorghums.

## Flax

Looks like 5.7 million acres. Although this would be 4 percent less flax than last year, the 1955 acreage would be the third largest in 36 years of record. The intended acreage in the leading flaxseed States—North Dakota and Minnesota—is slightly above last year.

## Potatoes

A slight increase of 0.8 percent in potato acreage is planned. The 1,434,500 acres intended for 1955 would be 28 percent below the 10-year average.

Growers in States where the early crop is harvested are planning an increase of 8 percent. Farmers growing the summer and late crops show intentions to plant slightly below the 1954 crop.

### **Sweetpotatoes**

Looks like about the same acreage of sweetpotatoes as last year. The intended 354,200 acres would be 30 percent below the 10-year average. Louisiana, which had 28 percent of the 1954 acreage, plans an increase of 5 percent.

### **Tobacco**

Farmers' March 1 intentions indicate 1,561,300 acres of tobacco, down 5 percent from last year. Flue-cured would be down 5 percent and burley, 8 percent.

### **Beans**

Plans for 1,788,000 acres of dry beans would be 4 percent more than last year and the largest acreage since 1949.

### **Peas**

The 295,000 intended acres of dry peas would be a slight increase over last year, but still about 29 percent below average.

### **Sugar Beets**

Under acreage controls for the first time since 1939, growers plan 833,000 acres of sugar beets, down 13.5 percent from last year. Growers in most States reported their intentions to plant sufficient acreage to cover the acreage allotted for harvest.

### **Soybeans**

Looks like the largest acreage of soybeans grown alone ever planted—almost 20 million acres. That would be 7 percent more than last year. The average is 13.7 million acres.

### **Peanuts**

Farmers intended, as of March 1, to plant 1,914,000 acres of peanuts alone

for all purposes. This would be only slightly below last year, but 39 percent below average.

### **Hay**

Farmers and ranchers plan to harvest over 74 million acres of all hay in 1955. That would be 2 percent more than last year.

Much uncertainty about fulfillment of plans arises from the possible extent of winter wheat to be lost and replanted to other crops; final acreage allotments for some crops, and the weather at planting time.

For the 16 crops covered in this report, a total of nearly 285.5 million acres is now indicated, 3.2 million more than were planted in 1954.

Principal crops (59 crops) planted or grown in 1955 may total about 353.5 million acres, allowing for cotton at the allotment acreage and for numerous other crops not yet surveyed. This would be nearly as large as in 1954, also only slightly less than in 1950, when allotments were also in effect for corn, wheat, and cotton.

Jack L. Flowers  
*Marketing Information Division, AMS*

### **Too Many Potatoes**

REPORTS FROM FARMERS regarding their March 1 acreage plans for the 1955 season again indicate too many late-crop potatoes, the U. S. Department of Agriculture has announced.

If the acreage now planned in the 29 late States is actually planted, average yields would produce a crop 2 percent larger than the 1954 production and 8 percent larger than recommended by the Department for 1955.

The Department has previously advised farmers that 1955 late crop production should not exceed 272 million bushels, about 5 percent less than the 1954 production, if marketing difficulties are to be avoided.

In 1953 and again in 1954 production in excess of demands affected markets adversely and reduced returns to farmers in several important producing areas.

## Growers Have Big Stake in Number of Cigarettes Smoked

**G**ROWERS of flue-cured and burley tobacco have a big stake in how many cigarettes are smoked this year. The supplies of these tobaccos are the largest on record.

Cigarette output rose an average of 3 percent a year to a record 435.5 billion from 1946 to 1952. Since then there has been a moderate decline with the output last year totaling nearly 402 billion.

Looks like we may smoke about the same amount of cigarettes this year as in 1954. Employment and incomes for the country as a whole are expected to be at favorable levels.

Cigarettes absorb the predominant share of flue-cured and burley tobacco grown in this country. However, leaf exports are of major importance for flue-cured and also important for burley. Smoking and chewing tobacco are other outlets of some importance especially for burley.

### Age Group of Smokers

The halt in the uptrend in cigarettes is partly due to the changing numbers of people within age groups. Most of the increase in the population 15 years and over in the last 2 or 3 years has been in the teen ages and the 45 years and older groups. Cigarette smoking probably tends to be lighter within these age groups than for those between 20 and 44 years of age.

Factors contributing to the 2-year decline in cigarette consumption were higher retail prices, lower incomes for some particular areas and industries despite the relatively high national level, a possible tendency by those who switched to king size to smoke fewer, and the publicity concerning cigarette smoking and health.

Last year's decline in manufactured tobacco was due mainly to the 5-percent drop in cigarettes, as compared with a 3-percent decline for smoking tobacco and 1½ percent for cigars. Chewing tobacco was down only about 2 percent while snuff held nearly even.

The 1954 exports of all types of leaf tobacco totaled 506 million pounds (farm-sales weight)—74 million less than the 1953 figure, which was high because it included substantial shipments to Britain held over from 1952. The postponement of these shipments had kept calendar 1952 exports low.

On a marketing year basis, exports of leaf tobacco increased 3½ percent from 1952-53 to 1953-54. They are expected to be up by at least another 5 percent for 1954-55. However, expanded production abroad, especially of flue-cured in Southern Rhodesia and Canada, is offering increasing competition to United States leaf.

### Record Tobacco Supplies

Supplies of flue-cured and burley are the largest on record—about 3½ and 8 percent, respectively, above a year earlier. Burley supplies are especially large, mainly due to the record 1954 crop. The 1954 burley yields per acre were very large and acreage harvested exceeded the acreage allotment.

The 1955 flue-cured tobacco acreage allotment is 5 percent less than last year. The 10-percent reduction in the burley allotment announced last November, after allowing for the exempt group with seven-tenths of an acre or less and reserves for adjustments, would result in about a 7-percent cut in allotted acreage.

The 1954 outturn of burley raised the 1954-55 supply much more than was anticipated when the 1955 acreage allotments were determined. During the marketing season, which began in late November and was virtually finished by the end of January, one-third of the crop went under Government loan in connection with the price support program.

Growers' organizations and others were seriously concerned with the oversupply of burley and when the *Agricultural Situation* went to press, both houses of Congress had just voted for further reduction in the 1955 burley acreage. Under the new law just passed, the reduced acreage would be subject to grower approval in a referendum, and allotments of one-half acre or less would not be affected.

Arthur G. Conover  
*Agricultural Economics Division, AMS*



# Cutting Down the Dairy Surplus

## By Upping Per Capita Consumption

**T**HE surplus of dairy products has been whittled down and it looks like the surplus will be reduced even more this year—that is, if total milk production holds down and demand continues strong.

Sales of dairy products to the Government amounted to the equivalent of nearly 6 billion pounds of milk in the marketing year ended March 31, compared with 11 billion pounds a year earlier.

Unsold dairy products owned by CCC in mid-March were equivalent to about 8.5 billion pounds of milk compared with nearly 13 billions on July 1, 1954.

This didn't happen merely as the result of lower retail prices for milk and dairy products. Here's how the Department of Agriculture and the dairy industry are helping dairy farmers:

- More children are drinking more milk at school.
- Special promotions are being made to encourage more milk consumption.
- The armed services are getting more milk.
- The needy are receiving more dairy products.

In the schools participating in the special school milk program, increases in milk consumption averaged 58 percent in December, compared with a year ago. December is the latest month for which data are available. This new program was made possible by a feature of the Agricultural Act passed last year. It provides up to 50 million dollars in each of the next 2 years to increase consumption of fluid milk by schoolchildren.

The reduction in retail prices for dairy products in 1954 helped to increase consumption. We ate more butter and cheese and drank more milk, but ate a little less ice cream in 1954 than in 1953.

Civilians bought 1,140 million pounds of butter in 1954, compared with 1,078 million pounds in 1953. This was an increase of about 6 percent. How much butter was this for each person? Well,

including the farm butter used, civilians averaged eating 9 pounds of butter in 1954, compared with 8.6 pounds—a record low—in 1952 and 1953.

More milk and dairy products have been sent to military personnel, both on regular establishments and in hospitals. This has been made possible under the Agricultural Act of 1954.

Donations in the United States from surplus butter stocks were increased from 55 million pounds in 1953 to 93 million pounds in 1954.

Government buying has decreased—more milk and dairy products are going direct to consumers. The milk equivalent of dairy products purchased by the Department of Agriculture totaled only a little over half as much in the marketing year ended March 31 as a year earlier.

### How We Got the Surplus

Why did we have such a large surplus of dairy products? The answer, large production and low consumption.

Now let's look at the production picture. The production of milk changed little from 1942 through 1952. The exceptions were a record (at that time) production in 1945 and a rather sharp drop in 1948.

Production in 1945 was 119.8 billion pounds, and in 1948 it was 112.7 billion pounds. Otherwise, production in the 10-year period stayed within the narrow range of 115 to 118 billion pounds.

A moderate surplus developed in early 1949. Purchases under the support program began in the spring of that year and continued into the second half of 1950, when the stronger demand began to take all the production.

In 1951 and most of 1952, production and total consumption of dairy products were in reasonably good balance. Production increased rapidly during 1953 and advanced further in 1954, reaching a record high of 123.5 billion pounds.

### Butter Sales Drop

Actually, milk production on a per capita basis is smaller now—even after

# Producers Get Help In Marketing Plentiful Pork Supplies This Month

**H**OG PRODUCERS are being given a hand in boosting the sale of pork this month by the Department of Agriculture in an industry-Government campaign to encourage consumers to buy more pork.

With pork supplies at a high level as a result of last fall's large pig crop, Department marketing specialists have enlisted the help of the various food trades to move these heavy supplies to consumers. Food wholesalers, retailers, restaurant owners, and others concerned with selling food plan to empha-

size pork in their merchandising and advertising.

Department plans also include special releases to reach consumers through the press, radio, television, and other media. These will stress the abundant supply of pork and its tastiness and food value.

## In Plentiful List

To further help hog producers, the Department's April Plentiful Foods List features pork for extra attention. This list is prepared each month by the Agricultural Marketing Service. It goes to all segments of the food industry and to food editors of newspapers, and radio and television program directors all over the country, urging them to call consumers' attention to the farm commodities that are in heavy supply.

Besides featuring pork, April's Plentiful Foods List includes these commodities: Fresh and processed oranges and grapefruit, canned snap beans, canned sweet corn, raisins, small-size dried prunes, eggs, beef, rice, vegetable fats and oils, lard, milk and dairy products, and fishery products (haddock, shrimp, and canned tuna).

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*(Continued from page 5)*

the large increases—than in former years. Production per person in 1954 was 760 pounds compared with 803 in 1935-39 and 797 pounds in 1925-29.

But we are not consuming as much dairy products per person as in previous years. This is mainly due to the drop in the use of butter.

Fact is, the consumption of a number of dairy items is greater now than formerly. But with the drop in butter to about half the pre-World War II consumption, use of all dairy products on a milk-equivalent basis dropped to a record low of 688 pounds in 1953, compared with nearly 800 pounds in prewar days.

Production in 1953 of 759 pounds of milk per person and consumption of 688 pounds meant the purchase by USDA, under the price support program, of 10 billion pounds—8 percent of the production.

A general price reduction on dairy products, such as that in early 1954, can be expected to lead eventually to some reduction in output and an increase in consumption. Usually, however, the increase in consumption will be noticed sooner than will an adjustment in milk production. Dairy farmers must take into consideration several long-time factors in making their production decisions.

Herbert C. Kriesel  
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## World Soybean Crop Up

**A**PPROXIMATELY 742.8 million bushels of soybeans were harvested last year throughout the world, according to current figures of the Foreign Agricultural Service. This is a 14-percent increase over the 1953 and a 10-percent increase over the previous record crop of 675 million bushels produced in 1952.

More than 80 percent of the world increase is accounted for by last year's record high crop of 342,795,000 bushels of soybeans produced in the United States.

FAS figures also show that United States exports of soybeans during 1954 reached an all-time high of 43,219,000 bushels.

# New Support Program for Wool and Mohair Provides Payments Instead of Loans

**S**HORN WOOL, pulled wool, and mohair will be supported by payments to producers instead of loans. The program this year is the first under the National Wool Act of 1954, enacted by Congress.

The national average support level to the producer for shorn wool is 62 cents per pound, grease basis. For mohair, it is 70 cents, grease basis.

Payments for shorn wool will be based on the percentage needed to bring the national average price received by all producers up to the support level. The payment to the individual producer will be an amount equal to this percent applied to the net proceeds from the sale of his wool in the open market.

For example, if the national average of prices received should turn out to be 50 cents per pound, each producer would receive a payment equal to 24 percent of the net sale value of his wool (62 cents minus 50 cents equals 12; and 12 is 24 percent of 50).

Under such conditions, the producer who received an average of 70 cents per pound on 1,000 pounds or a total of \$700 in the open market would receive a payment of 16.8 cents per pound (24 percent of 70), or a total of \$168. The producer who received an average of 40 cents per pound would receive a payment of 9.6 cents per pound (24 percent of 40) or a total of \$96 on his 1,000 pounds.

Thus, it is to the advantage of the individual grower to improve the quality and marketing of his wool to obtain the best possible price in the open market. Mohair payments will be determined in a similar manner.

## Pulled Wool Plan

Pulled wool will be supported through payments on lambs and yearlings with full wool pelts marketed for slaughter. To meet the full-wool-pelt qualification, the lambs and yearlings either must never have been shorn or must have a 1½-inch growth of wool at the time of sale for slaughter.

Payments will be at a flat rate per hundred pounds of live animal. The

rate is based on (1) the average weight of wool per hundred pounds of live animal (5 pounds), and (2) 80 percent of the difference between the national average price received for shorn wool and the 62-cent support price for shorn wool.

In short, the payment per hundred pounds of live animal will be equal to four times the average payment per pound of shorn wool. For example, under the conditions assumed above, to illustrate the amount of payments on shorn wool, the payment per hundred pounds of live animal would be 48 cents.

## Where, When to Apply

The 1955 program will apply to wool and mohair shorn on or after January 1, 1955, and marketed during the year beginning April 1, 1955, and ending on March 31, 1956. The pulled wool compensating payments will apply to lambs and yearlings marketed during the same period. Payments will be made as soon after the end of the marketing year as possible.

Producers must apply for payment at the county Agricultural Stabilization and Conservation Committee offices. The application must be accompanied by the account sales received by the producers when marketing their wool and mohair and their lambs and yearlings.

To qualify for payments on marketings of lambs and yearlings, the account of sale must contain a certification by the slaughterer that the animals were bought for slaughter and whether they had ever been shorn. The applicant must certify among other things that he owned the sheep or lambs from which the wool was shorn, and the lambs and yearlings on which payments are requested for a period of 30 days.

The Department has also announced that woolgrowers will be permitted to assign payments due them as collateral for loans or advances. Assignments will be permitted to financing or marketing agencies which make loans or advances on sheep, lambs, or wool.

Albert M. Hermie  
Agricultural Economics Div., AMS

# "Bert" Newell's Letter

## To Crop and Livestock Reporters

**D**O you hear a lot about this business of "do it yourself"? Around here it seems like it has become a "movement." I think it is a fine thing, but some of the instructions do surprise me.

From some of the things that come out in our paper, there must be a lot of fellows who don't know how to set a pane of glass, put up a shelf, or drive a nail straight.

If there are such people, and I suppose there are, it is high time that they learn how. But it seems to me that we just grew up knowing how to do a lot of things, and as a matter of fact, if we didn't do them ourselves they didn't get done. You know what I mean.

Boys in the country, at least, just absorb "know how" for a lot of jobs and if you ask them when they learned to do this or that, they probably couldn't tell you. Who can remember who taught them how to saw a straight line, lay a shingle, or wire an electric light socket?

There are some angles though that we should watch pretty close. I was reading in the paper the other day where a fellow tried to fix an electric light switch in the basement and got knocked down because he forgot to turn off the current. Of course, he might have gotten away with a light shock if he had been on a dry floor. Even so, it is kind of dumb to take chances.

Then there was another fellow who decided he could do a \$50 plumbing job for the cost of a few parts, but before he got through he had messed things up so it took an expert plumber and a couple of hundred dollars to get things straightened out. So I say this, "do it yourself" is a fine idea as long as you don't overestimate your own capabilities and get yourself into such deep water that you have to hire a rescue squad to pull you out.

This reminds me of another "do it yourself" movement that got started just 100 years ago, in 1855. There was a Maryland farmer by the name of James T. Earl, who, along with some of his farmer friends, got rather worked

up because they thought they were getting the short end of the stick when it came to marketing their crops. They claimed that when they got ready to sell their crops a lot of slickers gave them a fast song and dance about the plentiful supply or something else, and beat the price down so they could turn around and make themselves a nice profit.

Now, 100 years ago there wasn't any Department of Agriculture, either Federal or State, to turn to, so they decided if anything was going to get done, they had to do it. That seems to me to be typical of Americans and particularly farmers, who as a group are the most skillful jacks-of-all-trades.

Anyway, Earl proposed to the other State agricultural societies that once a month each of them send him a report on the condition of crops in their area. He agreed to put the reports for all areas together and send them back a consolidated report. Of course, there were not as many States 100 years ago as there are now, and not all had agricultural societies. But even with the smaller number, the job proved to be pretty big, and complicated, for one man to work out.

### Idea Took Root

Even though Earl's plan failed, his idea and efforts were most significant, because this movement undoubtedly had some influence in the establishment of a Department of Agriculture 7 years later in 1862, and the beginning of monthly reports on the condition of crops in 1863. Furthermore, the fundamental objectives and methods of obtaining information set forth in the original proposal made by Earl are still the basic principles upon which this service rests.

This service was created by farmers; and, after 100 years, it is still based mainly on the cooperation of more than a half million farmers. The principal difference is that we of the Agricultural Estimates Division and the Crop Reporting Board and the 38 cooperating



# Getting Information Out to Farmers

(Continued from page 8)

State departments of agriculture are taking the place of James T. Earl in putting together the information collected from all sources. We interpret that information, and pass it back to you for your guidance in production planning and in the the marketing of your agricultural products.

Now, I would like to take just a few lines to remind you again of the significance of these monthly reports of prospective production.

These reports refer to a specific time, usually the first of each month. It is our intention to give you the best interpretation we possibly can of the prospects as of that time, as reported by farmer observers and others closely connected with agricultural production.

## Guide "For Now"

You know full well, and we know, that those prospects may change very quickly through the growing season. It is part of our job to report those changes. So in using the monthly reports on crop prospects, you should use them as the best guide as of the time to which they relate.

I know that all kinds of rumors can get started between the time reports are released. However, it is important to remember that this is a big country and while a crop may deteriorate in one area, there are many other areas that have to be considered where it may have improved.

So before you make an important decision, remember that your own Crop and Livestock Reporting Service watches developments all of the time and covers all producing areas, not just one or two. The only thing we have to sell is facts.

So here's to "do it yourself" and James T. Earl, a Maryland farmer, whose vision and willingness to tackle a huge job had a great deal to do with the establishment of this basic fact-finding and fact-reporting service on which so much depends.

S. R. Newell, Chairman  
Crop Reporting Board, AMS

**R**OADS TO KNOWLEDGE is the title of a bulletin recently issued by Missouri's College of Agriculture which tells how scientific farm information, much of which originates at the State Colleges of Agriculture, gets to farmers.

The study reviewed in the bulletin is based on personal interviews with 279 farmers in northeast Missouri. The results show, among other things, that 75 percent of the farmers interviewed get farm information from magazines, 65 percent said that they got some of it from newspapers, 46 percent from radio, 22 percent obtained information at meetings arranged by the county agent, and 19 percent got it directly from vocational agricultural teachers.

The study further indicates that 90 percent of the farmers got farm information from friends, neighbors, and relatives, with a large share of them admittedly getting such information from the more influential farmers in the community.

The reason most frequently given for not adopting new practices was lack of money. Some of them, however, said they would soon be too old to farm and saw no need for changing operations now, while a number of operators said they thought the newer farming methods were not practical for the "common farmer."

## 13 High Producer Cows Equal 31 Low Producers

**T**HIRTEEN cows producing 500 pounds of butterfat a year will total 6,500 pounds to net the same income as 31 cows producing only 300 pounds of butterfat per cow, or a total of 9,300 pounds, says a Pennsylvania Extension Service report.

The report further points out that 15 cows producing 450 pounds of butterfat, 17 cows at 400 pounds, and 20 cows at 350 pounds of butterfat return the same net income over feed costs. So much additional labor is required to take care of the larger number of animals that it isn't profitable to keep cows that produce less than 300 pounds of butterfat a year.

# Out to Get the Khapra

**T**HE KHAPRA BEETLE, newcomer pest of stored grain, is being hunted to the death by grain handlers and departments of Agriculture, both Federal and State. Farmers, grain dealers and others are urged to cooperate in the campaign to eliminate this destructive pest.

"Have You Seen This In Your Grain" is the title of a highly illustrated pamphlet just issued by the U. S. Department of Agriculture. The pamphlet shows where to look and what to look for in seeking out infestations of the khapra beetle. It also gives instructions on what to do if "suspect" insects are found.

Limited supplies of the pamphlet may be had by writing to Stored-Product Insects Section, Agricultural Marketing Service, USDA, Washington 25, D. C. *(An article describing the Khapra beetle and his arrival in this country appeared in the December 1954 issue of the Agricultural Situation.)*

## Quarantine In Effect

Especially interested are grain dealers and handlers in Arizona, California, and New Mexico where a quarantine has been in effect since February 21.

The quarantine applies in the three States named, but differs from any other Federal quarantine against an insect in that the areas involved are limited to known infested properties. Previous interstate quarantines have related to an entire State, county, township, or other civil area.

Quarantine officials believe this new approach will simplify procedures by eliminating uninfested properties from regulation. A list of 111 quarantined properties appeared in the Federal Register for March 1, 1955. Amendments will appear from time to time as the infestation situation changes.

Commodities likely to harbor the insect will require certification, generally based on fumigation, before they can move from infested properties to another State. State quarantines will regulate the intrastate movement of commodities from infested properties. Information about the Federal quaran-

tine can be obtained from the Plant Pest Control Branch, Agricultural Research Service, USDA, Washington 25, D. C.

The Federal quarantine was preceded by a public hearing in Denver, Colo. The hearing was attended by representatives of States and of the industries that would be affected and there was unanimous expression in favor of the quarantine.

Adoption of the quarantine gave added stimulus to the already urgent demands for information on measures that can be effectively applied to commodities to permit them to be moved out of quarantine.

Entomologists of the Stored-Product Insects Section, of the Department's Agricultural Marketing Service at Mesa, Ariz., and Fresno, Calif., are conducting research directed toward the development of more effective materials and techniques for treating commodities to free them of khapra beetle infestation. This research is coordinated through the Washington office of the Section.

There is also extensive interest in measures that can be applied to infested premises or structures to eradicate the khapra beetle. Such treatments, if completely effective, would permit buildings and other properties to be removed from the quarantine list.

Department entomologists have recently cooperated with the California department of agriculture and certain industry members in two large-scale tests of significance along this line.

## Warehouses "Wrapped"

Large warehouses, one of them with a content of more than a million cubic feet, were completely covered with gas-tight plastic sheets to produce a satisfactory fumigation job. The plastic covering prevented the gas from escaping from the loosely constructed buildings. Caged khapra beetles were placed throughout the structures to determine the kill. Thousands of feet of plastic tubing were used to draw air samples from numerous locations in the structures throughout the fumiga-

# **\$14,000 Capital Investment • • •**

## **Average For Each Farm Worker**

**S**INCE before World War II American agriculture, like American industry, has experienced a spectacular rise in the value of its productive resources—land, service buildings, livestock and feed inventories, machinery and equipment, and cash for operating expenses.

tion period so the gas concentrations could be determined by means of electrical instruments. If the concentration dropped below the desired level, an additional booster charge was introduced.

In one of the warehouses there were large bins containing several thousand bushels of bulk barley. An ingenious means developed by the Stored-Product Insects Section was used to circulate the fumigant gas through the mass of grain. Probes were inserted to the bottom of the bins and blowers were attached so they pulled air through the probes. This sucked the gas down into the grain mass and continued operation of the blowers kept the air-gas mixture circulating through the grain, distributing it with sufficient uniformity and concentration to kill all insects present.

### **Hope for Industry**

These experiments have looked so promising that similar experiments are planned on other buildings. When the evidence of the experiments is all weighed, it may be that this will provide industry with a method they can use to get their property out from under the quarantine.

The procedure will cost them money but is considered to be worthwhile from the standpoint of dividends returned. It would eliminate the cost of continued treatment of commodities leaving an infested property. It would also avoid the interference with normal business operations caused by treatment and certification procedures required under quarantine, and the loss and damage caused by the khapra beetle itself.

L. S. Henderson  
*Stored-Product Insects Section, AMS*

Back of each of the 8.5 million farm operators, hired hands, and family workers, is a capital investment of about \$14,000, four times the \$3,500 average of 1940. Other assets owned by farmers which are not used in farm production include dwellings, household goods, financial savings, and automobiles.<sup>1</sup> These additional assets total nearly \$5,000 per worker.

### **More Machines Used**

True, well over half of the rise in productive capital stemmed from a rise in prices alone. But even if the farm resources were valued now at deflated 1940 prices, they would total nearly \$6,000 per worker, representing an increase of about 70 percent in the physical quantity of agricultural capital.

Farmers have bought much new machinery and equipment; they have added to their buildings, and they have improved their land a great deal. An additional reason for the increase in agricultural resources available for each person has been the shrinking number of farm workers. The number on farms is about a fourth less now than in the years immediately preceding the war.

An investment per agricultural worker of \$14,000 is the average for all farms in the United States, including a relatively few very large farms and ranches worth several hundred thousand dollars and thousands of small and part-time farms with little value in land, buildings, livestock, and equipment.

### **Farms With More Capital**

If only full-time, commercial farms were considered, the average investment back of each worker might be at least \$20,000. A study of commercial family-operated farms reveals that several important groups in 1953 had productive physical assets, worth, on the average, from \$20,000 to \$24,000 per

<sup>1</sup>Forty percent of the value of automobiles is considered to be used in the farm business.

worker. Included are hog-dairy and hog-beef raising farms in the Corn Belt, irrigated farms of the Texas High Plains, and wheat-livestock farms of the Northern Plains.

But even among commercial family-operated farms, resources vary greatly. The average investment for each worker on cotton farms in the Southern Piedmont and Mississippi Delta is only about \$7,000. And for many individual farms in these areas the investment per worker would be much smaller. In contrast, it is estimated that the physical capital back of each worker on an average winter wheat farm in the Northwest is about \$70,000. To produce cash grain in the Corn Belt an average per capita investment of about \$60,000 is involved.

The increase in value of farm real estate—which continues to make up the bulk of capital used in agricultural production—has largely resulted from an increase in prices. Nevertheless, large investments have been made in the last decade and a half. It has been a long time since we have depended solely on land as nature provided it.

To conserve and improve its productivity, additional capital and improvements must be supplied in such forms as drainage, irrigation, and terracing. Also, to increase productive efficiency, large sums are spent on improving fencing and service buildings. More than 3 million farms have been electrified since 1940. As a result of this additional investment—and the shrinking number of workers—the value per worker of farm real estate used in production is now roughly \$9,000 compared with \$2,500 in 1940. In deflated dollars the present value would be less than \$4,000, but still half again larger than prewar.

The most striking addition to the capital investment in agriculture in the last decade and a half has been in machinery and equipment. Horses and mules are passing rapidly from the picture and most farmers now use tractor equipment. New machines have been developed and old types have been improved; their use has been extended to many more jobs on the farm.

Machines now are larger, more powerful, and more efficient. The average value of equipment at the disposal of each farmworker is nearly \$1,900. In

## **A Root Crop For the South**

**T**HE DASHEEN.—A Tropical Root Crop for the South, is the title of a publication just issued by the U. S. Department of Agriculture. The new publication gives up-to-date information on the domestic cultivation, harvesting, storage, and marketing of this interesting food plant, widely known in the Orient but not so well known in the United States.

The dasheen, a plant resembling the ornamental known as the elephant-ear, produces edible corms (bulbs) and tubers similar in food properties to potatoes. The plant has been cultivated in the Orient and the Pacific islands for 2,000 years. Since 1913, the dasheen has been grown commercially in certain parts of Southern United States, mainly in northeast Florida.

Dasheen corms (bulbs) may weigh up to 8 pounds. The tubers, generally superior to the corms for eating, range in weight from less than an ounce to a pound or more. They are usually purplish beneath the skin and when properly cooked are rich and mealy, with a delicate, nutty flavor.

Though resembling potatoes, dasheen tubers contain less water and more starch and protein. Tasty, low-fat dasheen chips, made like potato chips, are on the market. Young dasheen leaves may be cooked as greens. Blanched shoots from the corms or bulbs—grown in the dark—furnish a vegetable with flavor somewhat like that of mushrooms.

In addition to a description of the crop's food uses, the circular also mentions its use as livestock feed and for production of flour, starch, and industrial alcohol.

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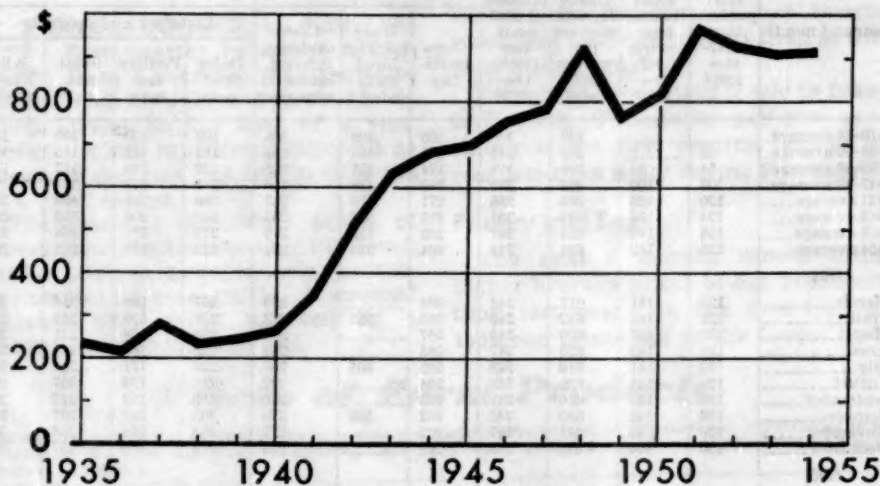
1940 it was little more than \$200. The actual physical quantity of equipment per worker—measured in deflated dollars—increased fourfold.

To an important extent, this heavy investment in mechanization has helped farmers to maintain production at higher than prewar levels, with a work force one-fourth smaller.

Lawrence A. Jones  
*Agricultural Finance Section, ARS*



## PER CAPITA INCOME OF PEOPLE ON FARMS



INCOME OF FARM POPULATION FROM ALL SOURCES DIVIDED BY FARM POPULATION

U. S. DEPARTMENT OF AGRICULTURE

NEG. 1517-55 (3) AGRICULTURAL MARKETING SERVICE

**F**ARM PEOPLE had slightly more income, per person, from all sources in 1954 than in 1953, although the 1954 realized net income of farmers, which excludes inventory changes, was less than in 1953.

Let's see exactly what happened in 1954 as compared with 1953.

Farm operators' realized net income from farming operations in 1954 was 12.0 billion dollars compared with 13.3 billion dollars in 1953. But the realized figures do not include inventory changes. If farmers hold back more crops and livestock one year than the previous year, that point must be considered—just like a store compares its stock left over at the end of the year with the previous year's stock.

When the total farm population is less than the previous year, this point must also be considered when you figure the income per person of people on farms.

Some years farmers wind up with larger inventories of unsold crops and livestock than they had at the beginning of the year. That is exactly what happened last year.

Farmers sold or consumed 1 percent less than they produced in 1954, build-

ing up their inventories of hogs, cattle, soybeans, and oats. In 1953, on the other hand, they sold or consumed 2.5 percent more than they produced, reducing their inventories of corn, hogs, wheat, and cotton.

Let's look at this inventory change in terms of dollars. Farmer's holdings of crops and livestock were reduced 796 million dollars in 1953, compared with an increase of 318 million dollars in 1954.

Net income after adjustment for this inventory change was 12.3 billion dollars in 1954, compared with 12.5 billions in 1953.

Now, after you add farm wages of \$2.1 billion and \$5.7 billion of income from nonfarm sources, you get \$20.1 billion as the total income of the farm population in 1954. This compares with \$20.7 billion as total income of the farm population in 1953.

However, the farm population was 3.5 percent less in 1954 than it was in 1953. So, the total income per capita of the farm population was increased from \$914 in 1953 to \$918 in 1954. The realized income per capita, which excludes the inventory change, was \$903 in 1954 compared with \$949 in 1953.

# Economic Trends Affecting Agriculture

Year and month	Industrial production (1947-49=100) <sup>1</sup>	Total personal income payments (1947-49=100) <sup>2</sup>	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) <sup>3</sup>	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Commodities	Wage rates for hired farm labor <sup>4</sup>	Commodities, interest, taxes and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....			100	100	100	100	100	100	100	100	100
1925-29 average.....	53		232	143	161	184	161	161	185	145	152
1935-39 average.....	54	34	199	118	124	121	125	119	110	117	116
1947-49 average.....	100	100	462	225	240	430	250	275	229	334	292
1951 average.....	120	126	563	258	271	470	282	286	228	409	336
1952 average.....	124	134	593	251	273	503	287	302	206	353	306
1953 average.....	134	142	624	247	262	513	270	273	221	298	273
1954 average.....	125	142	624	248	264	510	281	252	175	295	257
<b>1954</b>											
March.....	123	141	617	248	264		283	257	188	316	271
April.....	123	141	612	249	265	507	283	237	178	333	271
May.....	125	142	620	249	267		284	230	168	331	267
June.....	124	142	625	247	265		282	229	168	299	251
July.....	123	141	619	248	263	505	280	237	171	286	247
August.....	123	141	620	248	264		282	245	178	287	251
September.....	124	142	626	247	263		280	253	162	277	245
October.....	126	142	630	246	262	502	279	263	153	267	242
November.....	129	143	641	247	262		279	266	159	266	243
December.....	130	144	646	246	261		270	264	156	257	237
<b>1955</b>											
January.....	131	144	644	247	264	521	283	258	163	263	240
February.....	133		653	248	264		283	253	190	264	244
March.....					265		284	249	199	260	243

Year and month	Index numbers of prices received by farmers (1910-14=100)								All crops and live-stock	Parity ratio *
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Com-mercial vegetables	All crops		
1910-14 average.....	100	100	100	100	100	100	-----	100	100	100
1925-29 average.....	140	118	169	150	135	146	145	143	148	92
1935-39 average.....	94	96	172	87	113	91	107	98	108	86
1947-49 average.....	246	230	384	264	318	183	249	247	271	108
1951 average.....	243	226	436	336	339	181	269	265	302	107
1952 average.....	244	234	432	310	296	191	274	267	288	100
1953 average.....	231	208	429	268	274	206	240	242	258	92
1954 average.....	232	206	439	274	279	222	228	244	250	89
1954										
March.....	238	208	443	263	275	212	246	239	256	90
April.....	234	208	443	267	283	217	225	240	257	91
May.....	227	207	446	272	286	215	279	249	258	91
June.....	216	205	445	274	283	240	200	244	248	88
July.....	225	202	446	272	286	228	243	248	247	88
August.....	228	207	430	288	294	235	223	250	251	89
September.....	233	210	444	292	276	248	170	247	246	88
October.....	235	204	441	293	275	218	191	243	242	87
November.....	239	199	438	281	277	206	237	244	244	87
December.....	239	202	430	276	279	207	216	241	239	86
1955										
January.....	241	204	425	275	274	222	263	248	244	86
February.....	240	203	436	268	270	210	258	245	245	87
March.....	239	198	437	269	264	205	274	245	244	86

<sup>1</sup> Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

<sup>2</sup> Computed from reports of the Department of Commerce; monthly data adjusted for seasonal variation.

<sup>3</sup> Bureau of Labor Statistics.

<sup>4</sup> Farm wage rates simple averages of quarterly data, seasonally adjusted.

<sup>5</sup> Revised.

<sup>6</sup> Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

# Outlook Highlights

... April 1955

**H**OG SLAUGHTER, up during the first quarter by about a fifth from a year ago, has begun to decline and by July will probably be down almost to the level of a year earlier. A rise in prices is expected as slaughter declines, but hardly to levels of a year earlier.

The seasonal decline in prices of higher grade cattle probably will reach the low point in spring or early summer. In prospect for grass cattle: A seasonal increase this spring followed by a decline this summer and fall.

## Dairy Products

Milk production the last few months has been slightly below a year earlier and with consumption somewhat higher, the Government has bought much less for price support than at this time a year ago.

Decline in production is due to fewer milk cows. Production per cow continues to set new records, though it rose less than usual during February.

## Poultry and Eggs

The next 6 months should bring higher average prices to egg producers than last year. In the first half of 1954 egg prices fell to the lowest level

## Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		Mar. 15, 1954	Feb. 15, 1955	Mar. 15, 1955	Effective parity prices, Mar. 15, 1955 <sup>1</sup>	
	Base period price <sup>1</sup>	January 1947- Decem- ber 1949					
Basic commodities:							
Cotton, American upland (pound).....	cents..	\$ 12.4	31.21	31.05	31.69	31.87	35.34
Wheat (bushel).....	dollars..	4.884	2.14	2.09	2.13	2.12	2.52
Rice (cwt.).....	do.....	1.93	5.38	5.21	4.40	4.46	5.48
Corn (bushel).....	do.....	4.642	1.64	1.44	1.40	1.36	1.83
Peanuts (pound).....	cents..	4.8	10.2	11.1	12.5	12.5	13.7
Designated nonbasic commodities:							
Butterfat in cream (pound).....	do.....	26.1	71.2	62.8	57.5	57.5	74.1
All milk, wholesale (100 lb.) <sup>2</sup> .....	dollars..	1.66	4.42	4.08	4.09	3.94	4.71
Wool (pound).....	cents..	21.0	46.0	52.4	50.7	50.1	59.6
Other nonbasic commodities:							
Barley (bushel).....	dollars..	.475	1.37	1.14	1.08	1.08	1.35
Cottonseed (ton).....	do.....	25.20	71.60	50.50	55.20	53.40	71.60
Flaxseed (bushel).....	do.....	1.58	5.54	3.60	2.99	2.88	4.49
Oats (bushel).....	do.....	.305	.852	.781	.757	.737	.866
Potatoes (bushel).....	do.....	1.517	1.48	.515	1.17	1.18	1.47
Rye (bushel).....	do.....	.594	1.82	1.14	1.16	1.12	1.69
Sorghum, grain (100 lb.).....	do.....	.897	2.53	2.40	2.26	2.23	2.55
Soybeans (bushel).....	do.....	1.03	2.84	3.22	2.61	2.54	2.93
Sweetpotatoes (bushel).....	do.....	.981	2.35	2.56	2.97	3.10	2.79
Beef cattle (100 lb.).....	do.....	7.55	20.20	16.60	16.50	16.70	21.40
All chickens (pound).....	cents..	10.3	29.3	23.3	23.7	27.3	29.3
Eggs (dozen).....	do.....	16.4	46.6	38.7	39.5	39.7	46.6
Hogs (100 lb.).....	dollars..	7.55	21.90	24.70	16.40	15.40	21.40
Lambs (100 lb.).....	do.....	8.28	21.90	20.90	19.30	19.30	23.50
Calves (100 lb.).....	do.....	8.28	22.60	17.90	18.00	17.40	23.50
Oranges, on tree (box).....	do.....	2.29	1.23	1.18	1.33	1.62	2.90
Apples, for fresh use (bushel) <sup>11</sup> .....	do.....	1.00	2.39	3.20	2.94	2.90	2.94
Hay, baled (ton).....	do.....	8.43	22.40	23.10	23.30	23.00	23.90

<sup>1</sup> Adjusted base period prices 1910-14 used for computing parity prices. Derived from 120-month average January 1945-December 1954 unless otherwise noted.

<sup>2</sup> Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948, 1949 and 1954.

<sup>3</sup> 60-month average, August 1909-July 1914, for all cotton.

<sup>4</sup> 60-month average, August 1909-July 1914.

<sup>5</sup> Revised.

<sup>6</sup> Prices received by farmers are estimates for the month.

<sup>7</sup> Preliminary.

<sup>8</sup> Adjusted base period price 1910-14 derived from 10-season average prices 1945-54.

<sup>9</sup> 10-season average 1919-29.

<sup>10</sup> Transitional parity, 70 percent of parity price computed under formula in use prior to Jan. 1, 1950.

<sup>11</sup> Prices prior to July 1954 include some processing.

## Outlook Highlights

(Continued from page 15)

since 1950. Prices have declined since February but in mid-March were above a year earlier in most markets.

Number of chicks placed in broiler areas has been running a little above a year earlier since mid-February.

### Fats and Oils

Soybean exports for the marketing year 1954-55 are expected to top last year's 40-million-bushel record by a wide margin. The big supply and lower prices for oil and meal reduced prices for beans in February and the first part of March.

The support price for the 1955 soybean crop has been set at a national average \$2.04 per bushel, 70 percent of the February 15 parity. Last year's support was \$2.22 per bushel, 80 percent of parity. For flaxseed the 1955 support price will be \$2.91, 23 cents below 1954.

### Feed Grains

Prices for oats, barley, and sorghum grain probably will average below 1954 levels this summer. Large acreages are in prospect for these crops and supports have been reduced. Corn prices probably will show more strength than the other feed grains since a large part of the reserve is held by CCC. Prices for most feeds declined in recent weeks and have been below a year earlier.

### Wheat

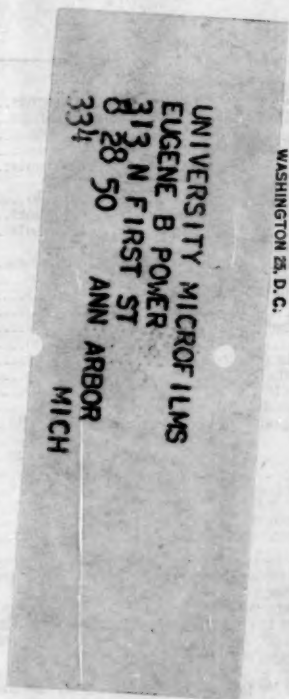
Market supplies of wheat are likely to be tight until harvest of the new crop begins. On January 1 all but 284 million bushels of the Nation's supply of 1,460 million bushels was either owned by CCC or under loan or purchase agreement. In January-June last year, 325 million bushels were used in the United States.

### Potatoes

The early spring crop of Irish potatoes is expected to be marketed later than usual this year. Storage supplies are somewhat smaller than a year ago. This indicates that prices in next month or so will be above early 1955, well above a year earlier.

### Cotton

Supply of cotton on March 1, excluding that held by CCC, was about 6.9 million bales. This is probably enough to meet domestic use and exports the rest of the season without withdrawing much from CCC stocks.



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DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
WASHINGTON 25, D. C.

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